

BRIEFING

AVOIDING THE SAME OLD MISTAXES

LESSONS FOR REFORM
OF 14–19 EDUCATION
IN ENGLAND

Louise Evans

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IPPR
4th Floor
14 Buckingham Street
London WC2N 6DF
T: +44 (0)20 7470 6100
E: info@ippr.org
www.ippr.org
Registered charity no. 800065

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SMART IDEAS
for CHANGE

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ABOUT THE AUTHOR

Louise Evans is a senior research fellow at IPPR.

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1.

INTRODUCTION: AVERTING AN ATTACK OF POLICY AMNESIA

The need to improve education for 14–19-year-olds is not a new area of policy focus, nor is it one that is immune to reform or debate. Rather, it is an area where policymakers tend to suffer from policy amnesia, as each new government tries to tweak the details of the system they have inherited from the last, without due regard for the changes which have been attempted here previously or tested elsewhere in the world. To counteract this, and to inform a new IPPR programme of research into improving education for 14–19-year-olds, we seek to start by focussing on two specific, successful cases of vocational education reform, in the Netherlands and Australia, both of which are relevant to the English case.

Having looked at these countries, and briefly reviewed historic attempts at reform in this country, we have captured three important lessons that we think should inform future reform.

The continuing case for change

Given that 14–19 education reform is not a new area of focus, it may be asked why it needs to be looked at yet again. But the continued case for change is clear.

Despite a generally improving economic picture and recent falls in overall unemployment figures, youth unemployment remains a persistent problem in the UK. Between May and July 2014, there were 747,000 16–24-year-olds out of work (ONS 2014a).¹ The participation rates of young people in education, employment or training also draw a telling picture. The latest OECD comparative figures show that, in 2012, 9.5 per cent of 15–19-year-olds in the UK were not in employment, education or training (or ‘NEET’). This compares to a rate of just 2.4 per cent in the Netherlands, and an OECD average of 7.2 per cent (OECD A).

We know that high, entrenched youth unemployment and a high proportion of young people who are NEET are not evident in those countries which have stronger, clearer systems for making the transition from education to work (Dolphin 2014). In particular, countries that have well-organised and highly regarded vocational systems help their young people to achieve these positive transitions more readily, and so their youth employment rates have been much more positive and more resilient during the recent recession. This is exemplified by the three countries with the lowest youth unemployment rates in Europe. In June 2014, Germany, Austria and the Netherlands had under-25 unemployment rates of only 7.8, 9.4 and 10.5 per cent respectively, compared to 16.1 per cent in the UK (Eurostat 2014). As can be seen by the figures above, those countries with these stronger systems have, perhaps unsurprisingly, better participation rates alongside their low youth unemployment rates.

It is now widely accepted that the coordinated social market economies of Germany and Austria make it easier for those countries to maintain stronger vocational systems, by comparison with the UK’s more liberal economy. So, rather than simply lifting policy from Germany or bemoaning the futility of even trying, we should try to learn lessons from countries – such as Australia and the

¹ This figure includes 258,000 full-time students looking for part-time work.

Netherlands, which this paper focusses on – that have succeeded in developing stronger vocational education systems within similar economies to our own.

There are several other external factors that make tackling the 14–19 education and training system an imperative at this moment in time.

The Coalition government has continued the previous government’s plan to raise the educational participation age to 18 by 2015. Whereas once the leaving age from education or training was 16, the expectation now is that a young person will be supported in education or work with training until 18. The figures for 16–18-year-olds who are NEET are beginning to fall – according to the Department for Education (DfE), the proportion fell to 8.0 per cent in Q2 2014, its lowest level since comparable figures were first available in 2000 (DfE 2014). The Coalition has also put effort into changing elements of the 14–19 landscape, for instance, by reforming vocational qualifications and elements of the apprenticeship system.

It does not seem, however, that there has been much coherent thought about how to ensure that such a significant change in leaving age will result in better outcomes for young people and a better system overall. Rather than simply sleepwalking into the raised participation age, it is time to rethink what the offer for 14–19-year-olds should be all about, and particularly how all the 16–18-year-olds who will now be staying in education or training can really benefit from this extra participation.

In addition, demographic trends mean that pressures on the provision of relevant education up to the age of 19 are set to increase. Although current population projections show that the number of 14–19-year-olds is likely to fall in the next couple of years, they also suggest it will reach a significantly higher absolute level in the 2020s and 2030s (ONS 2014b). There will therefore need to be a stronger system than ever before, with consistently better opportunities and clearer routes available to young people.

The changing nature of the labour market also needs to be borne in mind. While job creation has begun to pick up, there are worrying trends in the high percentage of these new jobs that are low-skilled, estimated by the Trade Union Congress to be as much as 80 per cent (TUC 2013). The UK also has decreasing productivity by comparison with other advanced economies, with the gap in productivity per hour between the UK and G7 average now at 21 per cent, the highest since 1992 (ONS 2012). There is also a need to consider ‘replacement demand’, particularly in skilled and technical occupations, as people leave or retire from the workforce. These trends, combined with predictions that around half the jobs in economies such as the UK’s may become automated in the foreseeable future (see Frey and Osborne 2013), mean that the ambition of any future system must be to equip more young people not only with the technical skills needed to enter higher-skilled and valued jobs, but also with the flexibility in capability to adapt to further and inevitable changes in the labour market.

We propose that any reform of education for 14–19-year-olds must focus on improving vocational and technical pathways, in light of the evidence that those national systems that have succeeded in keeping youth unemployment low have been those countries which have invested in developing a quality vocational education and training (VET) system. Across the political spectrum there appears to be consensus on the continuing need to improve the number and quality of youth apprenticeships, but for now this option caters for only a very small minority – just 37,600 – of the nearly 2 million 16–18-year-olds living in the UK (DfE A).²

2 At the time of the DfE’s data collection, 37,600 young people were on advanced apprenticeships out of 1,955,100 16–18-year-olds.

To pick up the slack, a significant focus is needed on creating and sustaining a high-quality, valuable vocational college or school-based route for a large number of 14–19-year-olds.

Chapter 2 of this paper outlines why we have chosen to focus on Australia and the Netherlands as useful case studies, and describes the VET systems that have been developed in each country. Chapter 3 then sets out three key lessons which we propose should guide – and instigate further debate about – the future direction of 14–19 education in England.³

³ Note that youth employment figures relate to the whole of the UK, while participation figures from the DfE measure youth participation solely in England. To be clear, the focus of this paper and the parameters for any future proposals for reform will be focused exclusively on England.

2. INTERNATIONAL COMPARISONS: WHY AUSTRALIA AND THE NETHERLANDS?

There are often calls to compare our systems to those of countries such as Germany and Switzerland, which receive praise for the nature of their dual-system approaches to training and education. However, there are limited benefits in attempting to draw lessons from countries which do not share with us a similar sociocultural context, or which do not face the same kind of challenges. The most effective international comparisons come from those countries that share some characteristics of the UK's economy.

With this in mind, this paper focusses on the examples of Australia and the Netherlands. They both demonstrate how a liberal market economy such as our own is able to adapt in order to secure a smoother transition for young people into the world of work. The economies of both of these countries have gone through similar structural shifts to our own over the past 30 years, but they have been more effective in mitigating some of the negative effects of those changes. In particular, they have strengthened coordination within the training and education system.

Both Australia and the Netherlands have been able to create relatively stable systems, which are able to deliver quality intermediate training –including in technical skills – housed within educational institutions (UKCES 2012).⁴

Australia

The Australian economy has benefitted from a mining boom in recent years, which has driven growth. However, since the global financial crisis in 2008, there have been some changes to the key employer categories. The crash has accelerated an existing shift towards a service-based economy, particularly focussed on health and social care, which became the largest employer in 2012, accounting for 12 per cent of national employment (DEEWR 2012). This echoes changes in the UK economy, with the same sector set to see the highest number of new jobs created here up to 2022 (Clifton et al 2014).

Despite similar economic trajectories, youth unemployment is significantly lower in Australia than it is in the UK. The rate of unemployment for 15–24-year-olds in Australia was 11.7 per cent in 2012, nearly half of the 21.0 per cent rate recorded in the UK in the same year (OECD B). It is in this context that English policymakers may be able to learn from the Australian approach to the training and preparation of young people for the labour market.

Australia has recently undergone a series of innovative education reforms designed to tackle a similar set of challenges to those seen in England. There, the shift to a service-based economy has polarised workers at either end of the skills spectrum. Enrolment in STEM courses (science, technology, engineering and maths) at schools and universities has fallen (OCS 2012), and the labour market struggles to fill vacancies in technical occupations, with a shortfall of 36,000 workers predicted

4 Notwithstanding the relative strength and stability of both systems, no system is immune to change, and for political, economic and policy reasons some changes are still being made to the VET systems in the Netherlands and Australia. Some changes have occurred even throughout the course of researching this paper; we have made every attempt to keep the information in this paper up to date.

in trade occupations by 2015 (NSRET 2010). As in the UK, there is a large attainment gap between school children of different socioeconomic backgrounds.⁵

Despite facing similar challenges, Australia has performed better on some important measures relating to technical education. It has a more established system for work-based learning, with 39 of every 1,000 employed Australians working in an apprenticeship or traineeship, compared to 11 in every 1,000 in England (Steedman 2010). Transition rates into employment are also high, with 76 per cent of all VET graduates and 86 per cent of apprentices finding employment within six months of completing their training (2006 data, UKCES 2012).

Australia has also strengthened vocational provision in its school system, and created strong 'group-training' arrangements to coordinate employers. These enable the coordination of apprenticeship programmes and work experience placements for students from college courses. The advent of new 'traineeships' has strengthened the institution of apprenticeships, and allowed them to broaden in to many more occupational areas. In 2011, there were 449,000 people, or around 3.7 per cent of the working population, in apprenticeships and traineeships (ibid).

The previous government, under prime minister Kevin Rudd, instigated a number of initiatives that have been continued under the new Liberal/National government in Australia, including using the curriculum and other incentives to promote pathways to STEM courses and technical education, investing in 'trade training centres' within schools, and producing labour market information on skills shortages. Some have been critical about the implementation of aspects of Australia's reform: the approach taken in Victoria to free up the VET market, for instance, has been seen to be expensive and to have led to poor-quality provision (Wheelahan 2012). It remains to be seen what further changes may be made under the new Liberal/National administration. The core of Australia's vocational education system and its positive outcomes, however, seem to remain strong.

The Netherlands

During the 1980s, the Netherlands, like the UK, shed a large number of manufacturing and industrial jobs and began to develop an expanded service sector. Employment in sectors such as agriculture, textile and (low-tech) manufacturing industries in particular has fallen, while the proportion of jobs in knowledge-based services has increased (OECD C).

However, Dutch policymakers took a concerted and proactive approach to ensure more egalitarian outcomes than might otherwise be expected from the shift towards an increasingly liberalised market-economy. As a result, it can boast a more successful record than England and the UK in terms of equipping its young people with technical skills.

This is demonstrated by the differences between the two countries in youth unemployment.⁶ By the 1990s, the rate of youth unemployment in the Netherlands had fallen to among the lowest in Europe, and it remained stubbornly low even after the 2008 financial crisis. Although it has increased over the past 18 months (Parker 2014), at 10.1 per cent it still compares very favourably to the UK's 16.1 per cent (Eurostat 2014).

There are also some differences between the UK and the Netherlands in terms of how young people are treated within the welfare system. In the Netherlands, 15–27-year-olds are treated separately from adults, with more focus on reskilling or

5 The focus in Australia has often been on the large gap in attainment between the indigenous and non-indigenous populations. For more, see data from the Australian Bureau of Statistics.

6 Albeit that the UK and the Netherlands have very comparable rates of adult unemployment.

upskilling and a holistic approach to supporting young people which takes account of broader social needs (Parker 2014).

This has had some positive effect on the Netherlands' ability to face up to the challenge posed by a considerable proportion of young people leaving school at 16, most at high risk of unemployment. Although historically this problem has been shared between the two countries (Onstenk 2009), the Netherlands has had some success more recently in reducing the number of young people leaving school at 16 without good qualifications. All young people are now obliged to remain in full-time education until they have completed a starter-level qualification (level 2 or 3) or have turned 18 (Parker 2014). This has enabled it to reduce its percentage of early school-leavers down from 15 per cent in 2000 to 11 per cent in 2008 – the largest drop in the European Union. As a result, the proportion of young people leaving school without a basic qualification is now 5 percentage points below the EU average.

There is also a narrower attainment gap than exists in English schools (OECD 2013).

The Netherlands has gained a strong reputation for the quality of its vocational education. School-based and work-based vocational learning sit under the same framework, which promotes progression within the system by getting colleges and employers to work together more effectively at the local level. For example, in some leading economic sectors (chemicals, water, automotive), there are newly created, government-financed Centres of Vocational Innovation – these regional collaborations between vocational schools, employers and public authorities recruit talented young people and encourage innovation (Parker 2014).

Apprenticeships and school-based courses are for fixed periods and both combine work and school-based learning. The Dutch government has created large training centres to improve the delivery of vocational education and streamline the number of vocational qualifications. The college system is also completely interlocked with employers, which allows a greater number of high-quality work experience placements for young people. Local areas also have relative freedom to deliver vocational qualifications according to the context of their area, within the qualification framework that has been set.

The Netherlands has created strong 'sector bodies' or knowledge centres which have taken responsibility for designing qualifications, setting standards, and coordinating employers, so that they become more likely to engage in the training and apprenticeship programmes. This consensus-oriented model includes social partners, regions and training providers, with Dutch sector skills councils (as employer representatives) playing a particularly important role (UKCES 2012). As is explored further in the next chapter, the Dutch government has recently decided to move away from the current model of 17 knowledge centres, shifting their current functions to a single national body supported by eight sectoral bodies. While this is a significant, efficiency-driven change, the new model continues to be centred around a clear, structured and consensual way of governing vocational education.

Employers participate in intermediate vocational training, motivated by the need to reduce the skills mismatch in the labour market and increase their ability to recruit skilled workers. Some 25 per cent of Dutch companies are registered to deliver intermediate-level vocational training (ibid).



Having considered these two countries' systems, and previous attempts at reform in this country, the next chapter sets out three important lessons which we propose should guide any future reforms in England.

3.

LESSONS FOR 14–19 VOCATIONAL EDUCATION AND TRAINING IN ENGLAND

3.1 Focus on stability and clarity of purpose, not another round of qualifications reform

Since the 1980s, consecutive Westminster governments have focused primarily on reforming the type and content of qualifications as the means to address problems of inequality and underachievement among 14–19-year-olds. While the scope of this paper does not allow for an exhaustive survey of the huge number of changes that have been attempted over the past three decades, both David Raffe (2013) and more recently City and Guilds (2014) have given detailed and comprehensive accounts of the numerous stages of qualification reform that have preoccupied the DfE and its antecedents for the last few decades. These have included the phasing in and out of NVQs and GNVQs, introduction and continued review of vocational qualifications such as BTECs,⁷ the creation and dismissal of diplomas, and the creation and proposed removal of AS levels.

Ensuring that vocational qualifications which have become devalued are no longer rewarded in the accountability system appears to have been a worthwhile process, although it is impossible to comment fully on the effects of the latest reforms while they are still bedding down.

But even Alison Wolf, whose report is behind the latest set of changes in vocational education, has recognised that reforming qualifications alone will not solve the underlying issues in the system:

'[T]he way that each centrally driven reform of vocational qualifications quickly generates serious (and similar) problems indicates that there are structural issues.'

Wolf 2011: 56

The Skills Commission also concluded in its review into 14–19 education that:

'[D]eveloping the correct suite of qualifications won't fully overcome other major barriers to adequate skills provision in England, such as enough employers engaged in training, or lack of 'employability' skills in young people entering the labour market.'

Skills Commission 2013: 28

The evidence from the other countries which we have studied shows that it is not the type or content of qualifications that primarily or in isolation make a difference. What is shown to make a real difference is having a system of learning which has a clear purpose and provides clear pathways. Such a system is complemented by an institutional structure which bridges the relationship between education and employers and ensures that the qualifications and skills which are being developed are relevant and in demand.

⁷ Including the recent creation of the 'Wolf lists' of qualifications which can contribute to key stage 4 indicators and post-16 performance tables.

It is undoubtedly easier for governments to prioritise and succeed in tweaking the content of qualifications than it is to undertake such significant system-wide structural or cultural change. This is particularly true in an economy like England's where education and skills development is perceived as fundamentally the domain of the state, but where the government in reality has little influence over interaction between education providers and employers in this area.

Raffe (2013) sums up the need to move away from this focus on the content of qualifications in his own paper on the principles for reform of vocational education.

'The processes by which reforms of vocational qualifications are initiated, developed and implemented are as important as the content of those reforms.'

There is also a practical reason for avoiding the process of 'starting over' with yet another review and upheaval of the qualifications system. Qualification reform in England has rarely been given time to bed down. Yet, as research shows, qualifications – and particularly the introduction of qualification frameworks – need significant time to be nurtured and embedded in any system (Allais 2010). Arguably this is why GCSEs and A-levels are so well established and understood: even as the content has changed over time, the overarching 'brand' has remained the same.

A final mistake that has often been made in focussing on qualifications is to be motivated by the misguided aim of trying to achieve 'parity of esteem' between all vocational and academic qualifications. As Wolf put it in her review of vocational education, the overuse of this phrase is:

'... testimony to the fact that academic and vocational education are not seen as enjoying such parity' and the way that it is used is "misguided".'
Wolf 2011: 111

Undue focus on 'parity of esteem' as a concept is dangerous for several reasons. The first is that it may lead to dangerous attempts to try to adapt aspects of academic learning, such as content and assessment, so that they mirror vocational learning, in order to achieve comparability. In attempting to achieve simplicity, the risk is that parity of esteem is reduced to uniformity of approach. Instead of (once again) seeking to redesign qualifications, it would be better to look more strategically at the whole system in order to achieve better, rather than necessarily more comparable, outcomes for all.

This phrase also reinforces the split in esteem as holding between *all* vocational qualifications versus *all* academic qualifications, with vocational qualifications lumped together on the lesser side of the divide. This general perception is not helped when politicians speak about reforming vocational education while in the same breath implying that it is precisely such education that is needed for the 'forgotten, vulnerable 50 per cent'.

It is important to acknowledge that achieving parity between *all* 'vocational' and 'academic' options is not the ultimate aim. There will always be individual courses, qualifications and careers – academic or vocational – that are held in higher esteem than others. Which these are may well change over time, as the labour market changes. What is important is that the focus is not on attempting, unrealistically, to achieve parity across the board: this will only lead to yet another attempt at qualifications reform. The focus should instead be on ensuring that all young people have access to better, sustainable routes, and that a young person's route is not deemed to be of lesser value simply because it is labelled as 'vocational'.

The first lesson, therefore, is that we should not start with a mindset that another review of qualification type and content is a priority, nor believe that redesigning qualifications simply to strive for parity of esteem would get us any further forward.

3.2 Foster a strong, stable institutional structure for education and skills development

Liberal market economies – such as the UK and US – have historically struggled to engage employers successfully in the VET system. As described above, it has often been easier for successive governments to re-examine and revise the content of qualifications – which undoubtedly allows politicians to see quicker results – than it has been to tackle the organisational structures underpinning skills development in any local area.

As with ‘parity of esteem’, another phrase often bandied about is the need for ‘employer engagement with education’. But often it is not clear what this ‘engagement’ should look like in a system like England’s, particularly for the 14–19 age-group.

It is evident from looking at countries which are successful in this area, such as Germany and Switzerland, that a model where educational institutions and local employers work more closely in partnership to ensure relevant education and training is a powerful one. The difficulty is that simply trying to transplant the notion of ‘employer engagement’ can prove to be fairly meaningless, particularly if we try to replicate the arrangements that exist in economies, such as Germany’s, where the very nature of the relationship between state, employers and unions is entirely different from our own (see Thelen 2014).

It is also not possible or sensible to treat all employers as one homogeneous group (Keep 2012). A sophisticated system needs to be as relevant to a small start-up business as it is to large corporates, some of whom are already highly engaged in apprenticeships and training.

Before jumping to any conclusions about structures in England, and setting aside any obsession with increasing employer engagement in isolation, we must be clear about how employers should and should not fit into 14–19 education and identify the structural changes that are needed as a result.

Our assessment of Dutch reforms highlights the benefits of achieving a strong, clear institutional structure. In the Netherlands, they have been successful in establishing a collective approach to skills that includes employers, education institutions and the government. The key to their success appears to be the creation of strong ‘intermediary institutions’ that facilitate firms to get involved in the VET system. This ensures not only that employers engage in this phase of education, but also that 14–19-year-olds are able to engage meaningfully with the labour market (Thelen 2014). These intermediary institutions perform a number of functions, including coordinating the voice of different employers, influencing the content and certification of training to make sure that whatever route a young person takes is ultimately preparing them for the labour market and the needs of employers, and – crucially – putting pressure on employers to offer work experience placements.⁸

These intermediary institutions engage employers in two main ways. First, they *facilitate* employers to get involved by providing a means to coordinate different activities and reduce some of the risk and burden of engaging in VET. Second, they put *pressure* on employers to ensure that they live up to their responsibility to engage in the system, whether through informal ‘peer’ pressure or more traditional, formal regulatory pressures. Bussemeyer and Trampusch have described these as ‘beneficial constraints’ on employers which help to overcome the collective action problem. They go on to conclude that:

⁸ As is explained further later, whether a young person takes the largely school-based or work-based vocational route they are required to spend, as a minimum, a day a week on work placement, and employers are rewarded for offering such placements.

'... all collective skill formation systems have found a way to coordinate different employers' interests via intermediary associations.'

Busemeyer and Trampusch 2012: 23

The case studies below provide examples of intermediary institutions in the Netherlands and Australia.

Knowledge centres in the Netherlands

The Netherlands has established a series of 'knowledge centres' to help coordinate employer engagement in VET. Their remit is to promote skills development in certain sectors of the economy (in this way they are similar to sector skills councils in the UK). There are 17 knowledge centres, covering most sectors of the economy. They are mandated by law to perform the following functions:

- develop and maintain qualifications
- recruit and quality-assure employers to offer work placements and apprenticeships
- provide labour market intelligence about the skills that employers need and the standards that training providers need to meet
- ensure a sufficient supply of apprenticeship places and VET providers.

Some also fulfil other functions, such as providing information, advice and guidance services.

In this way, the knowledge centres play an active role in the VET system and employers interests' are secured in legislation. Knowledge centres 'have direct links to industry to determine what the skills demand is, and to the education sector to direct the supply of training' (Casey 2013: 5).

The knowledge centres are primarily funded by the government. Their funding is dependent on the number of employers they accredit for workplace training and the qualifications they develop and maintain (although restrictions are in place to avoid an aggressive growth in qualifications). Employers are not charged for getting accredited, as this is funded by the state.

The model of 17 knowledge centres will not be in operation in the Netherlands for much longer. From 1 January 2016, the functions that the knowledge centres have, as listed above, will be transferred to the Foundation for Cooperation on VET and Industry (*Samenwerking Beroepsonderwijs Bedrijfsleven*, or SBB). The SBB will be supported by eight sectoral bodies to ensure the voices of specific industries continue to be represented (Fazekas and Litjens 2014). This change has undoubtedly been motivated by a need to save money and operate more efficiently. Nonetheless, despite these changes, the need to have consistent, clearly defined intermediary institutions capable of guaranteeing that learning is relevant and that employers are engaged are accredited remains non-negotiable.

Source: Casey 2013

Group training organisations in Australia

In Australia, a network of group training organisations (GTOs) makes it easier for employers to engage in the apprenticeship system. GTOs recruit and employ apprentices, and then arrange for their training with particular employers. The GTO is responsible for paying the apprentices and overseeing the completion of their training. This makes it much easier for small employers who would otherwise find it difficult to add apprentices to their headcount or be put off by the administrative burden. It also makes it easier for firms in industries where there is a high turnover of employees, as apprentices can be passed between host companies more easily. GTOs therefore help to manage the risk for employers of offering apprenticeships. There are also considerable benefits for students, as GTOs provide a one-stop shop for finding a suitable apprenticeship place. Over 100,000 businesses in Australia have used a GTO to manage the employment of apprentices, and about 10 per cent of apprentices are now employed through a GTO.

Source: Munday 2011

Training levies in the Netherlands

There are over 100 sectoral training levies in the Netherlands, known as training and development funds (TDFs). TDFs are usually voluntary and negotiated with unions. Employers agree to pay a certain proportion of their payroll into the funds, and all employers pay the same percentage, irrespective of the size of the company.

TDFs are independent from the government and are run by the employers themselves. They are used to support specific training to meet the short-term sectoral needs of employers, and so are not usually part of initial vocational training for young people. They are rarely involved in directly providing training but will often help to commission provision or develop qualifications in partnership.

Source: Casey 2013

These examples show the intrinsic benefits of having ‘intermediary institutions’ through which to engage employers in the VET system. These institutions and regulations help to foster a collective approach to designing and delivering vocational education, by coordinating and managing the needs of different players in the system in a simple, structured way.

The English system is certainly not devoid of this kinds of institution. Many would argue that sector skills councils act in a similar way to the Netherlands’ knowledge centres, contributing to the development of national occupation standards and creating skills strategies for different sectors. Apprenticeship training associations have been set up across the country, inspired by Australia’s group training organisations.

The impact of such bodies has been variable, however. IPPR has previously been critical of the success of sector skills councils (SSCs) in representing and involving employers.

‘SSCs are largely funded by the state, have their strategic objectives set by the state, and are expected to help deliver the state’s skills policy. Employee representation is limited to one seat on the board and many SSCs are dominated by large employers and those already committed to training. The influence of SSCs on employer demand for skills is limited, since they have no remit to drive improvements in competitive strategies or work organisation within their sector.’

Lawton and Lanning 2012

In England, a fundamental problem appears to be the complex landscape which has developed over time. This undoubtedly hinders the ability of even the most successful SSCs to have sufficient impact or to engage employers in a simple, consistent way. While the Coalition government has retained SSCs, their role appears to be have been somewhat diminished or at least confused by the introduction of other overlapping institutions, such as local enterprise partnerships (LEPs) and ‘Trailblazers’ – groups of employers who have been appointed to draw up new standards for apprenticeships. There also remains a huge divergence of views about the purpose of, and accountability for, 14–19 education in England; until this is clear it is almost impossible to secure a purposeful and effective institutional structure. One fundamental difference in and advantage of the Dutch model, therefore, appears to be the simplicity of the approach.

It is also necessary to concede that the differing sizes of the Netherlands and England makes it unfair to suggest that the knowledge centres model could simply be lifted and replicated. Nonetheless, it is not difficult to argue that a straightforward structure with fewer overlapping agencies could be developed at a regional or combined authority level in England.

It is also the case that some industries have implemented training levies in England. However, these are largely restricted to the construction and film industries, and it has proved difficult to spread them into other sectors. In the Netherlands, by contrast, there are systemic levers and incentives in place to support the wider development of a strong VET system. Not only are there levies on employers (as outlined above) but, conversely, employers in the Netherlands are incentivised to engage with VET. Incentives used to be in the form of a tax deduction for providing work placements on either the work-based or school-based VET route.⁹ From 1 January 2014, however, the incentive has been changed to a subsidy which applies only to placements offered on the work-based route (Fazekas and Litjens 2014). It is too early to know whether this will have an impact on what, to this point, has been good engagement by Dutch employers with VET.

The effectiveness of governance and accountability in the 14–19 area – in particular, what the relationship between education and employers should be, and how this bridge should be built – appears fundamental. We should learn from the Dutch, who seem to have been more successful in achieving clarity about the purpose of 14–19 education and fostering a structure which achieves a balanced role for employers. The policy challenge, therefore, is to develop something more effective without – as our first lesson made clear – subjecting the system to excessive or unnecessary change. While superficial or unsophisticated calls for decentralisation or simplification risk being seen as the latest trendy panacea, any proposition which is to be taken seriously will need to think in detail about governance and accountability and how future change should be managed in order to be successful.

3.3 Strengthen college and school-based vocational education alongside expanded and improved apprenticeships

As set out at the beginning of this paper, young people on apprenticeships account for only a small minority of 16–18-year-olds, and while there has been a significant increase in the number of apprenticeships for adults, the number of 16–18-year-old apprenticeships has stagnated over the course of this government (BIS 2014). In England, there has been a justifiable focus on trying to expand the number of apprenticeships available for young people. This is a welcome move and one that should be encouraged. It is clear, however, that the college-based route will continue to be the major player in the delivery of vocational education and training in the years to come, and that most countries with clear pathways from education to work have not achieved such a strong transitional system solely by focusing on work-based apprenticeships.

While it is the case, for instance, that many commentators look admiringly at the German apprenticeship system, policymakers need to continually bear in mind that the German approach is largely rooted in their particular model of industrial development and is not a model that has been adopted by many other European countries. As Anderson and Hassel (2008) note: ‘in most coordinated market economies the dominant form of training is not firm-based but is either largely school-based or a mixture of apprenticeships and vocational schools’.

Other countries – including the Netherlands, Denmark, Norway, Sweden, France and Australia – retain a strong system of vocational education delivered through schools and colleges. This is partly the result of historical developments, but the recent growth of the service sector in many countries has reinforced the importance of college-based VET. This is because the flexible skills needed in the service sector can be better developed in a school environment, and service sector employers tend to be less willing to offer apprenticeships and training.

9 Students are required to spend 20–60 per cent of their time doing relevant work experience.

Busemeyer and Trampusch have explained how the growth of service sector economies is associated with a move away from firm-based training.

'Instead of transferring the dual training model to the service sector, these countries expanded school-based vocational education to accommodate the new demand for different kinds of skills.'

Busemeyer and Trampusch 2012: 23

The case studies below show how the Netherlands and Australia have developed strong college-based VET systems.

MBO in the Netherlands

The Netherlands operates a tracked education system from a very young age, although all students complete a reasonably broad general education between the ages of 12 and 16 regardless of which track they are on. After the age of 16 students have to move onto a more specific track. The majority of students (55 per cent) follow the VET route, known as MBO – from *middelbaar beroepsonderwijs*, or 'middle-level applied education'. MBO training can be done at various levels of skill: from level 1 'assistant training' through to level 4, which equips students for higher education.

MBO training can take place on two different pathways:

- School-based training (BOL): students typically spend four days a week in college and one day with an employer on work placement. This is the most common route, accommodating about 80 per cent of MBO students.
- Work-based training (BBL): students typically spend four days a week on work placement and one day at college. They have an employment contract with their employer and receive a minimum wage (more like an apprentice).

A key feature of the system is the coherence of the different pathways. Irrespective of the pathway taken, students must have a work placement that is quality-assured and accredited by a knowledge centre.¹⁰ Students also take the same qualification regardless of which pathway they are on.

A key advantage of the MBO system is that it can be flexible depending on the state of the economy and employer demand. In times of recession, more students can complete the school-based route, and when there is greater demand from employers more students can complete the work-based route.

Source: Casey 2013

'VET in Schools' in Australia

In Australia, just under a third of 15–19-year-olds participate in VET. While many of these young people are taking apprenticeships or traineeships, nearly half are undertaking the VET in Schools programme (VETiS).

The majority of VETiS programmes are offered in general schools, although there are a handful of specialist schools which focus specifically on VET. In the main, VET in Schools is confined to years 11 and 12, when students are aged 15 or above. While the courses are provided in schools, assessment is overseen by a registered training organisation (akin to an FE college), and that organisation's staff are often involved in delivering the training. Courses are therefore a collaborative affair.

VET in Schools was partly introduced to improve school retention rates, and over 60 per cent of VETiS students are enrolled on level-2 courses.¹¹ However, it now has a much broader appeal and provides a pathway for many students to progress into an apprenticeship, work or higher education.

Sources: Smith 2013, NCVET 2012

¹⁰ Or, in the future, by the SBB.

¹¹ VETiS qualifications range from level 1 to level 4, with the majority of year 11 and year 12 students taking level 2.

Preapprenticeships in Australia

Preapprenticeships have been used to augment the supply of potential tradespersons in Australia. They help to prepare students for the demands of apprenticeship study, which in turn increases employers' confidence in engaging in the apprenticeship system. Courses vary in duration and rigour, with some requiring work placement and others remaining class-based. While preapprenticeships work well in some trades (automotive, electrical) some concerns have been raised about the quality of education on offer.

Source: Smith 2013

One particular feature of the Netherlands' strong college-based VET system which is particularly relevant to the English case is the high level of comparability and interchange between work-based and school-based learning. While there is clearly a difference in where a young person does most of their learning, both pathways require students to take up a work placement that is accredited by a knowledge centre, and to take the same qualification. Compared with promoting work-based apprenticeships alone, this increases the flexibility of the system to respond to future shifts in economic demand – tipping the balance towards more work-based learning during an economic upswing and back again in times of recession.

These case studies also set out how some countries, including Australia, provide a significant preapprenticeship offer. Notwithstanding concerns about the consistency of the Australian offer at this time, we propose to do further research into what a stronger preapprenticeship offer might look like in England, focussed on preparing those young people who want but are not yet ready to take on an apprenticeship. While the Coalition's traineeships – short work-preparation courses ranging in length from six weeks to six months – are still in their infancy, there does appear to be some initial concerns about take-up and their effectiveness as a progression route for young people (Exley 2013).

While apprenticeships will continue to be a vital strand in any future 14–19 system, the third important lesson is the need to simultaneously focus on the technical and vocational learning in a college or school setting that fills the gap between traditional academic learning and apprenticeships.

3.4 Conclusions

This paper has sought to learn lessons from the vocational education and training systems in Australia and the Netherlands. This is because these two countries do much better than England when it comes to participation rates and labour market outcomes for young people, and share with England and the UK a number of economic and sociocultural characteristics.

From these case studies we have derived three lessons to guide reforms in England:

- Reforms in England have tended to focus excessively on changing the structure and content of qualifications, rather than on the wider system – this should not be the future starting point.
- We need to ensure that our VET system is supported by strong, simple and stable institutions that bring together employers, providers and the state.
- Apprenticeships are important, but high-quality pathways for all young people will require stronger provision in schools and colleges as well.

These findings will guide IPPR's 14–19 education project, which aims to develop a practical, system-wide strategy, achieving clarity on the purpose of this phase of education and setting out recommendations, which if implemented, will provide clear, relevant pathways for young people and improve outcomes for all.

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